Message Text

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ACTION EUR-12

INFO OCT-01 IO-10 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07

L-02 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15 USIA-15

COME-00 EB-07 FRB-01 TRSE-00 CIEP-02 LAB-04 SIL-01

OMB-01 CEA-01 NIC-01 /095 W

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R 121717Z MAR 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC 8643

INFO AMCONSUL BREMEN

AMCONSUL DUSSELDORF

AMCONSUL FRANKFURT

AMCONSUL HAMBURG

AMCONSUL MUNICH

AMCONSUL STUTTGART

USMISSION USBERLIN

USMISSION EC BRUSSELS

USMISSION NATO BRUSSELS

USMISSION GENEVA

AMEMBASSY BERLIN

AMEMBASSY BERN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY OSLO

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY STOCKHOLM

AMEMBASSY THE HAGUE

AMEMBASSY VIENNA

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E.O. 11652:N/A

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TAGS: ELAB, GW

SUBJECT: LATEST UNEMPLOYMENT STATISTICS

REF: BONN 00736; STUTTGART 0240

- 1. SUMMARY. THE FEDERAL EMPLOYMENT SERVICE REPORTED THAT IN FEBRUARY UNEMPLOYMENT "PEAKED" AT 1,183,500, 5.2 PERCENT OF THE LABOR FORCE, AND CAN NOW BE EXPECTED TO DECLINE. END SUMMARY.
- 2. WITH THE JUDGMENT THAT UNEMPLOYMENT HAS REACHED ITS PEAK, THE PRESIDENT OF THE FEDERAL EMPLOYMENT SERVICE RELEASED LABOR MARKET STATISTICS FOR FEBRUARY WHICH SHOWED THAT THE NUMBER OF UNEMPLOYED HAD REACHED 1,183,500, 5.2 PERCENT OF THE LABOR FORCE, THE HIGHEST SINCE FEBRUARY 1959. HE SAID HOWEVER THAT THE DOWNWARD TREND (OFTHE ECONOMY) HAD NOT COME TO AN END,IMPLYING THAT HAD IT NOT BEEN FOR A MILD WINTER, UNEMPLOYMENT WOULD HAVE BEEN WORSE.
- 3. MOST OF THE TRENDS ESTABLISHED IN PREVIOUS MONTHS CONTINUE. AN ADDITIONAL 15,500 FIRMS RESORTED TO PART-TIME WORK BRINGING THE NUMBER OF WORKERS ON SHORT-TIME TO 956,500. FOREIGNERS CONTINUE TO BE MORE AFFECTED BY UNEMPLOYMENT THAN GERMANS. 60 PERCENT OF THOSE BE-COMING UNEMPLOYED IN FEBRUARY WERE "GUEST WORKERS" BRINGING THE NUMBER OF UNEMPLOYED IN THIS CATEGORY TO 170,000, 7.1 PERCENT OF THE FOREIGN LABOR FORCE.
- 4. THERE WAS A SLIGHT CHANGE IN THE DISTRIBUTION OF UNEMPLOYMENT BY OCCUPATION. IN PAST MONTHS THE GREATEST NUMBER OF UNEMPLOYED WAS FOUND IN THE METAL AND ELECTRICAL INDUSTRIES. HOWEVER IN FEBRUARY THE BUILDING INDUSTRY WAS IN FIRST PLACE WITH 216,200. THE METAL AND ELECTRICAL INDUSTRIES HAD 204,500 UNEMPLOYED, CLERICAL PROFESSIONS 118,800 AND THE TRANSPORTATION INDUSTRY 104,100.
- 5. ON THE BRIGHT SIDE, IT IS COMMONLY BELIEVED THAT UN-EMPLOYMENT HAS PEAKED AND CAN BE EXPECTED TO IMPROVE IN THE COMING MONTHS FOR SEASONAL REASONS ALONE. ALSO THE UNCLASSIFIED

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NUMBER OF JOB OPENINGS HAS CONTINUED TO RISE SLIGHTLY FOR THE SECOND MONTH AND NOW STANDS AT 246,236.

6. UNEMPLOYMENT IS A POLITICAL ISSUE, AND THE MONTHLY RELEASE OF LABOR MARKET STATISTICS INVITED A RESPONSE FROM THE PARTIES. THE GOVERNMENT ANNOUNCED THAT IT WAS SATISFIED THAT SHORT-TIME IN FEBRUARY HAD NOT GREATLY INCREASED, A SIGN THAT GENERAL PESSIMISM WAS UNJUSTIFIED.

THE OPPOSITION CDU/CSU ECONOMIC SPOKESMAN RESPONDED SAY-ING THAT UNFORTUNATELY THE LATEST STATISTICS DID NOT INDICATE AN ECONOMIC REVIVAL OR CHANGE IN ECONOMIC TRENDS. CDU CHAIRMAN HELMUT KOHL CHARACTERIZED THE LATEST FIGURES AS "SHOCKINGLY HIGH" AND ACCUSED THE CABINET OF NEGLECTING THE ECONOMY. DGB SPOKESMEN CALLED THE SITUATION "ALARMING".

7. COMMENT. IT IS GENERALLY FELT THAT LABOR MARKET CONDITIONS WILL PLAY AN IMPORTANT ROLE IN THE CRUCIAL MAY 4 ELECTION IN NORTH RHINE-WESTPHALIA (NRW) WHERE THE SPD-LED GOVERNMENT HAS SUPPLEMENTED THE FEDERAL PROGRAM TO CREATE JOBS WITH ITS OWN PROGRAM TO COMBAT UNEMPLOYMENT. IN ADDITION TO PREVIOUSLY REPORTED MEASURES, THE MINISTRY OF CULTURE RECENTLY ANNOUNCED THAT IN MID-APRIL

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FM AMEMBASSY BONN

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IT WILL BEGIN A NEW PROGRAM TO COMBAT YOUTH UNEMPLOYMENT BY OFFERING ADDITIONAL SCHOOLING TO THOSE UNDER 18.

THERE ARE ALSO SOME POSITIVE DEVELOPMENTS IN THE PRIVATE SECTOR WHICH AFFECT THE LABOR MARKET IN NRW. THE FORD AND OPEL PLANTS HAVE ANNOUNCED THAT THEY WILL RUN EXTRA SHIFTS IN APRIL INSTEAD OF RESORTING TO SHORT-TIME WORK AS ORIGINALLY PLANNED, AND ON MARCH 11, THE RUHR COAL COMPANY ANNOUNCED THAT IT WILL BEGIN A ONE BILLION MARK INVESTMENT PROGRAM WHICH WILL INCLUDE BUILDING A NEW GENERATOR AND OPENING A NEW MINE.

NEVERTHELESS SOME BUSINESSMEN AND ECONOMIC ANALYSTS SAY THAT THE FEDERAL AND LAND PROGRAMS HAVE HAD LITTLE EFFECT ON THE ECONOMY. CERTAINLY STATISTICS RELEASED BY THE FEDERAL EMPLOYMENT SERVICE DO NOT INDICATE THAT NRW IS HAVING PARTICULAR SUCCESS IN COMBATING UNEMPLOYMENT WHEN COMPARED TO OTHER LAENDER. AT 5.0 PERCENT, THE RATE OF UNEMPLOYMENT IS ONLY .2 BELOW THE NATIONAL AVERAGE AND THE 8.6 PERCENT INCREASE IN JOB OPENINGS IN FEBRUARY ALSO LAGGED BELOW THE NATIONAL AVERAGE OF 11.4 PERCENT INCREASE.

ALTHOUGH THE ECONOMIC EFFECTS OF THE FEDERAL AND LAND PROGRAMS CANNOT YET BE CLEARLY MEASURED, A POLL COMMISSIONED BY THE GOVERNMENT OF NRW IMPLIES THAT THE VOTERS SEEM TO BE IMPRESSED BY GOVERNMENTAL EFFORTS. THE POLL CLAIMS THAT 53 PERCENT OF THOSE QUESTIONED BELIEVE THAT THE CURRENT GOVERNMENT BEST GUARANTEES JOB SECURITY. THIS DOES NOT MEAN HOWEVER THAT THE GOVERN-

MENT IN NRW ENJOYS THE GENERAL SUPPORT OF 53 PERCENT
OF THE POPULATION OR THAT IT CAN COUNT ON BEING RE-
TURNED TO OFFICE IN MAY.
HILLENBRAND

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Message Attributes

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